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-SECRET SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

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AUTH: HR 70-2

STAFF MEMORANDUM NO. 273 REVIEWER: 19360

SUBJECT: Proposed Estimate on the Situation in Burma

- 1. In the first Burmese national election, completed in early 1952, the socialist-dominated Anti-Fascist People's Freedom League won control of the Government by a substantial majority. Since the election political stability has increased in Burma, and the influence of the Communist-sponsored Burmese Workers' and Peasants' Party has diminished. Of particular importance in achieving increased stability have been the appointment of leading socialist Ba Sue to replace the ineffectual U Win as Defense Minister, and the cooperation shown by Commander-in-Chief Ne Win, whose opportunism formerly had been considered a major threat to the achievement of permanent political stability in Burma.
- 2. A decided shift in Burme's foreign policy has also taken place, and in deed, if not in word, Burma is more and more aligning itself with the West. Despite the accession of doctrinaire socialists to high government positions, the Burmese, though still proclaiming strict neutrality, have accepted US aid under MSA and TCA, are now seeking military aid from the US, and in general have been less inclined to bend over backwards to avoid antagonizing Communist China.
- 3. Militerally the position of all insurgent groups has declined during 1952. Anticipated aid to Communist insurgents from Communist China has failed to materialize, and the Communists no longer are espable of establishing a firm hold over substantial areas of the country. The Karens too have been weakened, as indicated by their increased efforts for a settlement with the government. In face of such reverses, the Communists have: (a) increased attempts to form a "united front" of all insurgent groups, but with only minor and local success; (b) aimed propaganda against the presence of Chinese Nationalist troops in upper Burms, hoping that an aroused public would force the government to take

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action against those troops, and so relieve pressure on the Communists; and (c) adopted a "new line" of compromise, hoping to gain by infiltration what they have failed to gain by insurrection. The government, however, has continued its vigorous efforts against the Burmese Communists.

- 4. In the light of the above developments, which are considerably more favorable than those projected in NIE-36 and NIE-36/1, the Far East staff had decided to recommend a new estimate of the situation in Burma. At the same time the AD/NE reserved a request from the Director, OIR, requesting a revision of NIE-36 on an urgent basis. OIR desires that the estimate (a) include the element of Chinese Communist intentions, (b) look ahead at least a year, and (c) take into account the political and military trends in Burma since the publication of NIE-36 and NIE-36/1.
- 5. The staff believes that a new Burma estimate will be most useful if its scope approximates that of NIE-36 rather than NIE-36/1. Moreover, it considers that the title of NIE-36: "Prospects for Survival of a Non-Communist Regime in Burma", is no longer appropriate. We therefore suggest that the attached terms of reference be considered, for an estimate having "routine" priority.



Note: Paras 1-3 above prepared
by 25X1A9a